

Message Text

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ACTION EB-07

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TO SECSTATE WASHDC 1813

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INFO AMEMBASSY BEIRUT

AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY TEHRAN

AMEMBASSY SANA

AMEMBASSY LONDON

AMEMBASSY MUSCAT

AMEMBASSY MANAMA

AMCONSUL DHAHRAN

USINT BAGHDAD

AMEMBASSY ROME

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USDOC FOR CAGNE

EO 11652: NA

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SUBJECT: US FIRMS MOVE FROM BEIRUT TO ATHENS

REF: ATHENS 8103

1. ABOUT 40 US FIRMS FROM BEIRUT ARE NOW KNOWN TO EMBASSY
TO HAVE ESTABLISHED THEIR PRESENCE IN ATHENS BECAUSE OF
INSECURITY IN LEBANON. THE ACTUAL, TOTAL NUMBER OF CORPORATE
EVACUEES IS PROBABLY EVEN HIGHER. IT SHOULD CONTINUE TO
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MOUNT IF INSTABILITY PERSISTS IN LEBANON. IN SOME CASES

THE PRESENCE IS TEMPORARY OR TENTATIVE, WITH CORPORATE MIDDLE EAST REPS OPERATING OUT OF ATHENS HOTELS OR TEMPORARY QUARTERS WITHOUT FORMAL GOG SANCTION. OTHER FIRMS HAVE EXPANDED EXISTING GREEK SUBSIDIARIES TO INCLUDE A NEW MIDDLE EAST REGIONAL ROLE. SOME FIRMS HAVE OBTAINED FORMAL STATUS UNDER GREEK LAW 89, WHICH AIMS AT ENCOURAGING THE ESTABLISHMENT OF REGIONAL FIRMS IN GREECE THROUGH GRANTING CERTAIN TAX CONCESSIONS. OTHER US FIRMS ARE SEEKING OR CONTEMPLATING FORMALIZATION OF THEIR STATUS UNDER THIS GREEK LAW.

2. IN THE FOLLOWING LIST OF BUSINESS EVACUEES THERE ARE ELEMENTS OF BOTH INCOMPLETENESS AND "PERISHABILITY". IT IS INCOMPLETE SINCE SOME BEIRUT ARRIVALS ARE PROBABLY STILL UNKNOWN TO THE EMBASSY. IT IS PERISHABLE IN THE SENSE THAT FINAL AND PERMANENT CORPORATE DECISIONS HAVE NOT YET BEEN TAKEN. SOME FIRMS MAY LOCATE ELSEWHERE, SINCE (1) GREECE SIMPLY IS NOT PART OF THE ARAB WORLD, AND SINCE (2) THERE APPEARS TO BE AN IMPROVING INVESTMENT CLIMATE IN NATIONS SUCH AS JORDAN. (FOR EXAMPLE, EVEN IN THE SHORT SPAN OF TIME SINCE REFTEL, TWO FIRMS, NORTHRUP AND SANTA FE, APPEAR TO HAVE SETTLED IN EGYPT, AFTER HAVING CONSIDERED -- AND REJECTED -- ATHENS AS A SITE.) AGAINST THIS MUST BE SET ATHENS SUPERIOR TRANSPORTATION AND TELECOMMUNICATIONS NETWORKS, THE AVAILABILITY OF SKILLED OFFICE PERSONNEL, AND CONCERNS OVER LONG-RANGE STABILITY IN ARAB COUNTRIES.

3. PRIOR TO SEP 75, 48 US FIRMS ESTABLISHED LAW 89 VENTURES IN GREECE, MOST OF WHICH WERE ORIENTED AT MARKETING IN THE MIDDLE EAST.

THIS NUMBER WOULD HAVE GROWN, AND IS GROWING, BECAUSE OF BOOMING MIDDLE EAST ECONOMIES, AS WELL AS ADVANTAGES ATHENS OFFERS AS AN OPERATIONS CTR. CORPORATE EVACUEES FROM BEIRUT HAVE NOW ADDED TO THIS NUMBER.

BOTH TRENDS, TAKEN TOGETHER, HAVE CONTRIBUTED TO A SIGNIFICANT, PERMANENT NET INCREASE IN US BUSINESS PRESENCE IN GREECE. INDEED, THE TOTAL NUMBER OF US FIRMS LOCATED HERE PERMANENTLY WITH A VIEW TOWARDS MARKETING IN THE MIDDLE EAST MAY APPROACH 90 TO 100 IN THE NEAR FUTURE.

4. FOLLOWING IS A LIST OF US FIRMS KNOWN TO THE EMBASSY TO HAVE COME HERE FROM BEIRUT:
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GENERAL MOTORS: PLANS TO "DOUBLE" WITH GM'S EXISTING LAW 89 FIRM IN GREECE AT 112 SYNGROU AVE., ATHENS, TEL 9228-966

CATERPILLER: USES OFFICE FACILITIES OF CAT'S GREEK COMPANY AT 21 KOLONAKI SQUARE, ATHENS, TEL 601-306.

HASKINS AND SNELLS: LAW 89 APPROVAL PENDING, MAIL ADDRESS IS

C/O "EXECUTIVE SERVICES LTD." ATHENS TOWER BLDG, "B", TEL 7783-698.

TCB/MORRIS: FIRM WAS NEWCOMER TO BEIRUT (NEVER LEGALIZED PRESENCE THERE). NOW SHARES OFFICE SPACE WITH NON-US FIRM (ACE ATHENS) AT 9 CLYCONOS STREET, ATHENS, TEL 718-133.

ISCO, INC : LAW 89 APPROVAL PENDING AND FIRM'S PRESIDENT PLANS AT LEAST TWO YEAR STAY IN ATHENS, ATHENS TOWER TEL 7791-997.

BAROID: LAW 89 APPROVAL OBTAINED IN LATE NOV; FIRM PLANS TO MOVE SOON FROM ROYAL OLYMPIC HOTEL (TEL 9226-411) TO 274 MESOGHION STREET, ATHENS (NO OFFICE TEL YET).

AMERICAN CYANIMIDE: APOLLON HOTEL (TEMP) TEL 8951-401.

GENERAL TIRE: FIRM HAS NO PLANS FOR LAW 89 STATUS, BUT IS OPERATING OUT OF "EXECUTIVE SERVICES LTD.", ATHENS TOWER, TEL 7783-698.

OFFSHORE LOGISTICS: FIRM HAS NO PLANS TO FORM LAW 89 COMPANY, BUT WILL FUNCTION OUT OF PRIVATE RESIDENCE IN KIFISSIA AREA OF ATHENS, ADDRESS AND PHONE YET UNKNOWN.

SERVCO: LAW 89 APPROVAL PENDING; FIRM NOW SHARING OFFICE SPACE WITH NICOBAR CO AT 3 STADIOU ST, ATHENS TEL 3246-055.

WESTINGHOUSE: FIRM IS USING WESTINGHOUSE, GREECE, AS TELEX ADDRESS AND MAILDROP AT 13 VENIZELOU ST, ATHENS, TEL 3246-746.

CARRIER: EXECUTIVES TEMPORARILY AT SHERATON HOTEL, TEL 790-720; FIRM IS CONSIDERING USING "EXECUTIVE SERVICES" FOR OFFICE SERVICES.

GOODYEAR: EXECUTIVES CURRENTLY IN SHERATON HOTEL, TEL 790-720, LIMITED OFFICIAL USE

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BUT PLANS EVENTUAL MOVE INTO ATHENS TOWER.

WRIGLEY: STATUS AND ADDRESS UNKNOWN.

STANDARD BRANDS: FIRM HAS SECURED OFFICE SPACE IN ATHENS TOWER TEL UNK.

MID-WEST SERVICES: EXECUTIVES TEMP STAYING RIVA HOTEL TEL 7706-611.

ARMCO: FIRM USING "EXECUTIVE SERVICES LTD" IN ATHENS TOWER, TEL 7783-698.

MCGRAW-EDISON: FIRM IS UNSURE WHETHER TO ESTABLISH IN LIEGE OR ATHENS, BUT IS STUDYING ADVANTAGES OF LAW 89 PROVISIONS.

CONTINENTAL BANK OF CHICAGO: BANK'S OFFICERS SHUTTling BETWEEN BEIRUT AND ATHENS, DEPENDING ON SECURITY IN FORMER CITY: ATHENS BRANCH MAILDROP ADDRESS IS 24 STADIOU ST, ATHENS TEL 3421-562.

TRANE: FIRM USING "EXECUTIVE SVCS LTD", ATHENS TOWER FOR OFFICE SERVICES, TEL 7783-698.

FIRST NAT CITY BANK: USING FNCB ATHENS AS ADDRESS AND MAILDROP, 8 OTHONOS STREET, ATHENS TEL 3227-471.

CHRYSLER: EXECUTIVES TEMPORARILY IN SHERATON HOTEL, TEL 790-720.

SHERATON MIDDLE EAST: EXECUTIVE STAYING AND WORKING AT SHERATON HOTEL ATHENS TEL 790-720.

FIRST NAT BANK OF CHICAGO: BEIRUT EXECUTIVES REMOVED TO LONDON AND CHICAGO - LONDON BRANCH NOW BEST CONTACT POINT FOR MIDDLE EAST AFFAIRS.

BOEING: FIRM USING EXISTING BOEING LAW 89 OFFICE AT 2 NIREOS ST, FALIRON, ATHENS TEL 9824-242.

UPJOHN: EXECUTIVES TEMP IN SHERATON HOTEL TEL 790-720.

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PACCAR: TEMPORARILY PRIAMOS HOTEL TEL 791-134.

OILTOOLS: SHARED OFFICE AT 59 QUEEN SOPHIA ST ATHENS TEL UNK.

REED TOOL CO: POBOX 18, HOLARGOS, ATHENS, TEL UNAVAILABLE.

INTERNATIONAL HARVESTER: FIRM HAD PREV LAW 89 STATUS IN GREECE AND HAS TAKEN SPACE IN ATHENS TOWER, TEL 7705-817.

SCHERING: TEMP ADDRESS APPOLLON HOTEL TEL 8951-401

RAYTHEON: TEMP ADDRESS RIVA HOTEL TEL 7706-611.

GREAT PLAINS WHEAT: 5 NEOPHYTOU DOUKA, ATHENS TEL 718-431.

CONTROL DATA: BEIRUT OPERATION IS "DOUBLING" WITH ESTAB CONTROL DATA LAW 89 COMPANY AT 194 SYNGROU AVE TEL 9510-811.

SYSTEMS ENGINEERING AND CONSTRUCTION: 2 SYNGROU AVE, ATHENS TEL 9237-256.

UNITED TECHNOLOGIES: LOCAL AGENT NOTES FIRM MAY FORM LAW 89

COMPANY; ADDRESS AND TEL YET UNK.

SOLAR GAS TURBINES (INTERNATIONAL HARVESTER AFFILIATE);
52 QUEEN SOPHIA ST, ATHENS TEL UNK.

TEKTRONIX LTD, LAW 89 APPROVAL PENDING; ADDRESS AND
PHONE, UNK.

ARTHUR YOUNG; LAW 89 APPROVAL PENDING, FIRM HAS TEMP
QUARTERS IN ATHENS TOWER.

SOLA BASIC INTERNATIONAL LAW 89 APPROVAL PENDING; ELECTRA
HOTEL IS TEMP ADDRESS, TEL 3226-921.

ESSO CHEMICAL NEAR EAST: FIRM HAS JUST SECURED OFFICE IN
ATHENS TOWER, TEL UNK.

ASHLAND: FIRM IS PRESENTLY CONSIDERING APPLYING FOR LAW 89
STATUS.

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5. SOME FIRMS DO NOT DESIRE THAT WIDE PUBLICITY BE GIVEN TO
THEIR DECISION, EVEN IF TENTATIVE, TO MOVE TO ATHENS, INDEED, SOME
HAVE NOT FORMALIZED THEIR PRESENCE WITH GREEK AUTHORITIES.
WE HAVE PROMISED TO RESPECT THIS CONFIDENTIALITY.
KUBISCH

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